



## External Assessment Report 2013

Subject	Business Management
Level	Higher

The statistics used in this report are pre-appeal.

This report provides information on the performance of candidates which it is hoped will be useful to teachers/lecturers in their preparation of candidates for future examinations. It is intended to be constructive and informative and to promote better understanding. It would be helpful to read this report in conjunction with the published question papers and marking instructions for the examination.

# Comments on candidate performance

## General comments

The number of presentations rose again this year from 7,082 to 7,248. The percentage of candidates gaining grade A–C was 75.1%. Markers reported that candidates generally handled the paper well, writing detailed answers in many cases.

## Areas in which candidates performed well

Most candidates handled the command words well and demonstrated good subject knowledge. The paper appeared to be relatively straightforward and allowed A candidates, in particular, the opportunity to excel.

- ◆ Section 1 Question 1: A well-practised question, where most candidates gained high marks
- ◆ S1 Q2: Methods of growth for a public limited company were well described.
- ◆ S1 Q3: This was generally well handled. There are numerous ways in which organisations can encourage positive employee relations and marks could be gained for developing two methods in detail.
- ◆ S2 Q1: This was a very popular question. Parts a) i) (comparison of job production with flow production) and e) (description of sources of finance) were particularly well done.
- ◆ S2 Q3: Generally well handled. Many candidates were awarded full marks for their description of extension strategies.
- ◆ S2 Q5: The description of advantages and disadvantages of branding was well done, as was the interests of stakeholders.

## Areas which candidates found demanding

S1 Q1: Some candidates found marketing problems difficult to identify, perhaps because of the nature of the case study. They failed to recognise that £360 million being wiped off of the market value of Cairn Energy was the same as the share price falling by 8%.

S1 Q4: Methods of grouping caused candidates some difficulty. There were some who showed poor knowledge of the topic and were unable to discuss the methods in any depth, only being able to give a definition of the grouping method. However, there were also some very strong answers.

S1 Q5: The knowledge of qualitative and quantitative information was not as strong as that of primary and secondary. Many candidates said only that qualitative meant words and quantitative meant numbers, failing to state that qualitative contains opinions and quantitative can be used to make comparisons or forecasts.

S1 Q6: Some candidates misunderstood the question and discussed 'good' or 'strong' methods of management as opposed to specific quality techniques used in the operation process.

S1 Q7: Again, financial information caused some difficulties, with many candidates giving uses of information instead of describing the information. Candidates should note that the Gross Profit % ratio does not tell investors how much profit (ie total profit) the organisation is making, but a percentage of every £1 of sales. There was evidence of candidates not understanding the difference between a cash flow statement and a cash budget.

S1 Q8: Many candidates failed to use POCCCDM in their answer and therefore only gained 2 general management marks. An example of a general management point that was accepted is 'the manager has to look at the strengths and weaknesses of the decision and how it will affect the business.' Some candidates chose to describe the decision making model. However, the question did prove to be a good discriminator, with highly performing candidates managing to achieve full marks.

S2 Q1a) i): Sometimes job production was confused with batch production. When the command word 'compare' is used, candidates are advised to use a linking word such as 'whereas' in the answer. This helps make the comparison. For example: 'Job production is usually expensive due to the **highly skilled workforce** whereas flow production is **heavily automated**.'

S2 Q1a) ii): Poor descriptions were given for batch production. 'Where items are made in batches' is a weak answer. An acceptable answer was 'the items are produced in small quantities of similar items.'

S2 Q1b): Candidates tended to know the considerations an organisation would take into account before choosing a supplier, but failed to give an explanation. Acceptable answers were: 'You would need to take into account the location as choosing a supplier far away would increase costs' and 'It is necessary to take into account quality. This is because good quality materials make good products that customers are willing to buy.'

S2 Q1c): In many cases the knowledge of external sources of recruitment was poor. Candidates tended to interpret the question as requiring a description of advertising vacancies externally rather than the use of external recruitment agencies.

S2 1d): Sometimes tactical and operational decisions were muddled up, and in some cases they were confused with strategic decisions.

S2 Q2: This was not a popular choice of question. In particular, knowledge of assessment centres and the role of HMRC proved poor. Similarly, there was poor knowledge of factors that influence the formal structure of an organisation.

S2 Q3f): Some candidates were unable to explain the purpose of a SWOT analysis. The command word made the question more challenging. An acceptable answer was 'it identifies your opportunities therefore allowing you to take advantage of them.'

S2 Q4a): Discussion of market research techniques was not particularly strong. Candidates could identify the techniques but did not give sufficient detail in their answers.

S2 4b): Knowledge of the Equality Act proved to be limited, with few candidates gaining full marks. Many candidates only described the protected characteristics, and only one mark was available for this.

S2 4e): Many candidates were unable to describe the effect of increasing a span of control; describing the term as opposed to the effect.

S2 5c): Some candidates gave very vague answers. Any reference to technology was not related to marketing, and sometimes technology was referred to only in general terms.

## **Advice to centres for preparation of future candidates**

Candidates who are taught to handle the command words perform well. Centres should continue to make candidates aware of these, concentrating on the higher-order command words. Exemplification is available on [www.understandingstandards.org.uk](http://www.understandingstandards.org.uk)

'Distinguish' and 'compare' questions tend to gain more marks if the points are clearly linked, with the use of 'whereas', for example. However, candidates are not penalised for not taking this approach if the link is obvious to the marker and they display knowledge of the terms being tested.

Candidates should be encouraged to 'explain' clearly. Marks are gained more easily if they are encouraged to add 'which means' or 'therefore' to develop their answer.

As in previous years, this year there were many lengthy answers in 2013, displaying sound knowledge of the Course. However, candidates must be careful to watch their time during the exam and not rush the last question or fail to finish.

Word-processed scripts should be printed in double line spacing with an appropriate font. It would also be useful to number the pages and clearly indicate the end of the text. Some centres ask candidates to sign the end of the page to indicate that they have finished.

Candidates should be encouraged to read the questions very carefully. Sometimes failing to address one word in the question can result in the loss of marks.

Candidates should read all the questions in Section 2 carefully before deciding on their choice. They need to make sure they can tackle all parts of the question before starting. It is good practice to mark the areas they are confident with and those which they find difficult.

This will help clarify which two questions they can handle best.

## Statistical information: update on Courses

Number of resulted entries in 2012	7065
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Number of resulted entries in 2013	7299
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## Statistical information: Performance of candidates

### Distribution of Course awards including grade boundaries

Distribution of Course awards	%	Cum. %	Number of candidates	Lowest mark
Maximum Mark 100				
A	28.0%	28.0%	2041	74
B	24.6%	52.6%	1795	63
C	22.9%	75.4%	1669	52
D	9.5%	84.9%	692	46
No award	15.1%	100.0%	1102	-

## General commentary on grade boundaries

- ◆ While SQA aims to set examinations and create marking instructions which will allow a competent candidate to score a minimum of 50% of the available marks (the notional C boundary) and a well prepared, very competent candidate to score at least 70% of the available marks (the notional A boundary), it is very challenging to get the standard on target every year, in every subject at every level.
- ◆ Each year, SQA therefore holds a grade boundary meeting for each subject at each level where it brings together all the information available (statistical and judgemental). The Principal Assessor and SQA Qualifications Manager meet with the relevant SQA Business Manager and Statistician to discuss the evidence and make decisions. The meetings are chaired by members of the management team at SQA.
- ◆ The grade boundaries can be adjusted downwards if there is evidence that the exam is more challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ The grade boundaries can be adjusted upwards if there is evidence that the exam is less challenging than usual, allowing the pass rate to be unaffected by this circumstance.
- ◆ Where standards are comparable to previous years, similar grade boundaries are maintained.
- ◆ An exam paper at a particular level in a subject in one year tends to have a marginally different set of grade boundaries from exam papers in that subject at that level in other years. This is because the particular questions, and the mix of questions, are different. This is also the case for exams set in centres. If SQA has already altered a boundary in a particular year in, say, Higher Chemistry, this does not mean that centres should necessarily alter boundaries in their prelim exam in Higher Chemistry. The two are not that closely related, as they do not contain identical questions.
- ◆ SQA's main aim is to be fair to candidates across all subjects and all levels and maintain comparable standards across the years, even as arrangements evolve and change.